

By: Wilson

H.B. No. 4054

A BILL TO BE ENTITLED

AN ACT

relating to a landowner petition to partition and transfer a geographic portion of a service area of an electric cooperative.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 39, Utilities Code, is amended by adding Section 39.056 to read as follows:

Sec. 39.056. LANDOWNER PETITION TO TRANSFER TERRITORY TO COMPETITIVE RETAIL MARKET. (a) The owner of a parcel of land part of which is in an area open to competition in ERCOT and part of which is in the certificated service area of an electric cooperative created under Chapter 161 may petition the commission to:

(1) partition the part of the land that is subject to the electric cooperative's certificate of convenience and necessity;

(2) transfer the land described by Subdivision (1) to the certificated service area of a transmission and distribution utility that serves the part of the land that is in the area open to competition; and

(3) amend accordingly the certificate of convenience and necessity of the:

(A) electric cooperative; and

(B) transmission and distribution utility.

(b) The petition must provide the commission with an accurate description of the land as necessary to facilitate the

1 requested action.

2 (c) The commission shall hold a hearing on the petition. If  
3 the commission determines the partition and transfer of territory  
4 is in the best interest of ratepayers, the commission shall approve  
5 the partition and conduct a proceeding to effectuate the transfer.

6 (d) Through the proceeding, the commission shall determine  
7 the net book value of all of the cooperative's electric  
8 distribution assets attributable to the service area that is  
9 proposed to be transferred.

10 (e) Not later than the 90th day after the date the  
11 commission determines the value of the cooperative's electric  
12 distribution assets attributable to the transferred service area,  
13 the transmission and distribution utility shall compensate the  
14 cooperative for the assets as directed by the commission.

15 (f) The commission shall amend or issue certificates of  
16 convenience and necessity to implement the transfer of the service  
17 area.

18 (g) The commission shall adopt rules to implement this  
19 section.

20 SECTION 2. This Act takes effect September 1, 2019.